

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **November 26, 2002, Work Session**

AGENDA ITEM NO.: 5

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Not-for-Profit Policy**

RECOMMENDATION: Review and discuss the Not-for-profit Policy adopted by City Council November 9, 1999. Determine the most appropriate approach for considering not-for-profit funding requests for future budget cycles. Options include, but are not limited to the following:

1. Rescinding the Council policy and considering each request for funding on its own merit during the annual budget cycle; including those agencies that are given an annual appropriation at FY 2000 levels;
2. Amending the Council policy to eliminate the annual allocation to agencies that were funded in FY 2000 from annual appropriation and require these agencies to compete for funds under the current policy;
3. Reaffirming the current policy, committing to the funding guideline as outlined in the policy, and activate the Not-for-Profit Review and Allocation Committee regardless of operating budget shortfalls.

SUMMARY: City Council adopted Guidelines, Processes, and Policies for Not-for-Profit Entities on November 9, 1999. Council appointed a Not-for-Profit Review and Allocation Committee in December 1999. Although this Committee was appointed and re-appointed by City Council, the Committee has never met due to financial constraints.

Council's policy requires that an amount equal to 20% of any amount that exceeded the 10% Undesignated General Fund Balance, not to exceed \$500,000, be allocated to the Not-for-Profit Review and Allocation Committee for distribution.

Following is an accounting of the funds that would have been designated for not-for-profit allocation had the City not been fiscally challenged:

Fiscal Year	Undesignated Fund Balance	10% Fund Balance Target (10% of annual revenues)	Undesignated Fund Balance in Excess of Target	20% Allocation for Not-for-Profits above the 10% Targeted Fund Balance (not to exceed \$500,000)
2000	\$ 10,344,513	\$ 10,828,339	\$ (483,826)	Not Applicable
2001	\$ 16,942,308	\$ 11,295,386	\$ 5,646,922	\$500,000 1/
2002 (unaudited)	\$ 16,973,081	\$ 11,563,430	\$ 5,409,651	\$500,000 2/

1/ 20% of the target to be designated = \$1,129,384

2/ 20% of the target to be designated = \$1,081,930

According to the Guidelines for Contributions to Non-Profit Entities, "those agencies currently receiving allocations will be exempt from the allocation process unless additional funding is requested beyond those levels approved in the 1999-2000 General Fund Operating Budget". Following is a list of the funding history for those agencies since FY 2000:

Agency	FY 2000	FY 2001	FY 2002	FY 2003
Blue Ridge Emergency Medical Service	\$ 3,466	\$ 3,466	\$ 3,466	\$ 3,466
Central Virginia Area Agency on Aging	5,200	5,200	5,200	5,200
Court Appointed Special Advocate	10,557	10,557	10,557	10,557
Keep Lynchburg Beautiful Commission	500	500	500	500
Keep Virginia Beautiful Commission	100	100	100	-
Legal Aid Society	9,960	9,960	9,960	9,960
Lynchburg Humane Society 1/	55,693	55,693	90,400	92,800
Lynchburg Lifesaving Crew 2/	6,000	6,000	12,659	9,419
Lynchburg Neighborhood Development Foundation *	25,000	25,000	25,000	25,000
Partnership for Prevention of Substance Abuse/Alliance for Families and Children	19,200	19,200	19,200	19,200
Child Care Resource Center/Alliance for Families and Children	25,000	25,000	25,000	25,000
PTA-PTO Thrift Shop 3/	17,000	-	-	-
America's Promise 3/	5,000	-	-	-
Total	\$ 182,676	\$ 160,676	\$ 202,042	\$ 201,102

1/ Increase due to contractual commitment

2/ Beginning in FY 2002 Fleet Service charges were included in the Adopted Budget.

3/ One-time contribution

PRIOR ACTION(S): August 10, 1999 Council Work Session
September 28, 1999 City Council Meeting
October 26, 1999 City Council Work Session
November 9, 1999 City Council Meeting

BUDGET IMPACT:. To be determined.

CONTACT(S): Bonnie Svrcek, Deputy City Manager 847.1443 ext. 224

ATTACHMENT(S): August 6, 1999 Contributions to Non-Profit Organizations Report
September 28, 1999 City Council Report: Establishing Guidelines, Processes and Policies for Review and Allocation of Municipal Funds
October 18, 1999 Contributions to Non-Profit Organizations Report
November 9, 1999 City Council Report: Establishing Guidelines, Processes and Policies for Review and Allocation of Municipal Funds, as amended

REVIEWED BY: lkp